



# *Technical Trade Report*

*Updates on Key Trade Policy Issues Affecting APHIS*

**August 1998**

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## **Letter from the Director**

We are fast approaching the end of the fiscal year. Already, we are taking stock of new and upcoming issues in the international arena. I would like to review some of the critical issues currently facing us and draw your attention to some important upcoming events. More detailed coverage of these issues will be provided in future reports. Briefly, the following are key emerging topics:

### ***Personnel Changes:***

Paul Drazek, the Secretary's Special Assistant on Trade, has decided to move-on. It is not clear whether he will be replaced. We will miss Paul as he was critical linchpin in coordinating many of our high-profile and complex sanitary and phytosanitary (SPS) issues between the various agencies, both within and outside the Department. Paul provided a great deal of leadership, honesty, common sense, and good will in managing the SPS issues.

Other recent personnel changes at APHIS include the formal naming of Dr. Craig Reed as the new APHIS Administrator and Dr. Joan Arnoldi as the Associate Administrator. Both Dr. Reed and Dr. Arnoldi are veterinarians by training with extensive management experience. Dr. Reed has long history with the Food Safety and Inspection Service (FSIS) whereas Dr. Arnoldi has long been associated with APHIS Veterinary Services (VS). Both bring considerable leadership, and technical and management expertise to their positions. Finally, Dr. Tom Walton has been named as the Acting Deputy

Administrator for VS.

These changes in key leadership positions within APHIS and the Department are likely to result in new or altered approaches or styles to how APHIS internally coordinates on SPS issues and interacts with other agencies in managing SPS trade policy matters. However, the basic commitment to intra-agency coordination and communication on these issues will continue to be a priority. A number of retreats are planned for the coming Fall that will enable managers and staffs to become acquainted with the perspectives and expectations of the new leadership.

### ***First Meeting of IPPC Interim Commission:***

The International Plant Protection Convention (IPPC) is the WTO-recognized body for setting global phytosanitary standards for trade in plant commodities. In 1996-97, signatory countries to the IPPC participated in a major effort to revise and modernize the Convention text in order to incorporate current plant quarantine concepts and to establish a Commission for Phytosanitary Measures which would operate as the IPPC standard setting body. The new IPPC Commission will play a central role in developing global phytosanitary standards.

Recognizing a potentially lengthy delay before the new revised Convention come into effect, as member countries officially declare their acceptance or adherence to the amended IPPC, countries agreed to establish an Interim Commission to begin operating immediately. The first meeting of this

Interim Commission is scheduled for November 3-6 at FAO headquarters in Rome. The delegation attending the November meeting will consist of Al Elder (head of delegation) along with 3 other APHIS staff people (John Greifer, TST; Nancy Klag, PPQ; and Nick Gutierrez, IS).

The first meeting of the Interim Commission will mostly be devoted to establishing procedures and operating norms. Along this line, we will be electing a Commission chairperson and developing procedures for elaborating and adopting phytosanitary standards. Two standards are also up for adoption in November, including: 1) Determination of Pest Status in an Area and 2) Guidelines for Pest Eradication Programs. At the upcoming meeting, we will be supporting the candidacy of John Headley, from New Zealand, as the first chairman of this newly formed Interim Commission. He has considerable plant quarantine experience and shares our basic perspectives in plant quarantine. Headley was with the IPPC Secretariat before Bob Griffin, formerly with APHIS, moved into the position.

Planning for this November Interim Commission has already begun. In July, APHIS published a Federal Register Notice informing the public of the November IPPC meeting as well as upcoming NAPPO and OIE meetings. The Notice invites interested parties to send in comments.

### ***3-Year Review of the SPS Agreement:***

Under the WTO/SPS Agreement, members are required to undertake a 3-year review of the Agreement. The review process is well underway within

the SPS Committee, a body created under the WTO to oversee implementation of the Agreement. The next SPS Committee meeting to continue this dialogue regarding improvements in to implementation of the various SPS provisions will be held in September in Geneva. To this date, no country has proposed re-negotiating any portion of the SPS Agreement for fear that this may unravel the balance of rights and obligations which was achieved through five years of difficult negotiations.

Generally, the 3-year review has focused on ways to improve implementation of existing provisions rather than make changes to the text itself. Agreement seems to exist that the transparency provisions in the Agreement have been especially valuable for creating a more open trade environment, but a number of countries have not fulfilled some of the basic requirements of establishing their national notification and inquiry points and are not providing advance notice of changes in their health regulations which affect trade. General agreement also exists on the need to improve and increase the level of information sharing with regard to risk assessments, including methodologies. Many of the developing countries continue to seek technical assistance, especially in the area of risk assessment, as well as consideration of special and differential treatment as regards implementation of their obligations.

Other triennial review topics are expected to be introduced at the September 1998 meeting, including discussion of the regionalization, harmonization, and equivalence provisions in the SPS Agreement. The

goal is for members to discuss their experience regarding implementation of these concepts and to share ideas on how to improve their operation.

If you have comments regarding the contents of this report please feel free to contact us at the Trade Support Team. The purpose of this newsletter is to provide timely communication of emerging trade issues of special concern or relevance to APHIS policy makers and staffs. However, we increasingly see the need to broaden our communication with other interested agencies and stakeholders. Let us know what you think. Or, more to the point, if you have important information regarding trade that you would like shared broadly feel free to send it our way for possible inclusion in our Technical Trade Report.

John Greifer

Acting Director, TST

## **The 1997 Accomplishments Report**

The Trade Support Team recently published the 1997 Accomplishments Report, detailing successes in resolving animal and plant related trade issues. USDA efforts led to the resolution of 77 SPS issues that enabled U.S. agricultural exports worth almost \$2.2 billion in fiscal 1997. New or expanded access for agricultural imports into the United States were also made possible, under conditions that safeguard animal and plant health in this country.

The Report is the second annual compilation of USDA's successes in addressing SPS barriers in order to allow trade to take place. The report is

designed to draw attention to the importance of USDA's work in resolving SPS issues in international trade. It also serves as a benchmark of SPS activities and provides input for strategic planning.

These successes are the result of the efforts of several U.S. government agencies that integrate trade policy and technical animal and plant health information. APHIS plays a key role in opening new markets, expanding market access, and safeguarding existing markets, providing the technical and scientific expertise necessary for resolution. The Foreign Agriculture Service (FAS) plays the lead role in developing and implementing trade policy within USDA. Other agencies contributing to the management of SPS issues include the U.S. Trade Representative (USTR), the State Department, the Environmental Protection Agency (EPA), and the Food and Drug Administration (FDA).

## **Opening and Maintaining Markets for U.S. Agriculture**

The accomplishments are divided into three categories. Market access refers to obtaining new access to a previously closed market. Market expansion is expanding access to a previously restricted market (for example, by enlarging the geographical area approved for exports, increasing the number of varieties exported, or negotiating new treatments or protocols). Market retention is ensuring that access to an existing market continues in the face of some action that could close the market.

Market retention accounts for the largest number, and the greatest value, of the

issues resolved (Table 1). The 47 market retention issues accounted for more than \$1.1 billion worth of trade. Safeguarding wheat export markets worldwide was a key part of USDA's market retention efforts, and ensured nearly \$300 million in exports. Since the detection of Karnal bunt in the southwestern United States, USDA has actively worked to ensure countries that U.S. wheat is safe.

Market retention issues were particularly important in Central and South America, especially for U.S. fruit exports. In 1997, USDA efforts protected markets for stone fruit, apples, cherries, and citrus grown mainly on the U.S. West Coast for export to Argentina, Brazil, and Chile. Other important success in market retention were maintaining the Mexican market for U.S. sorghum, and the European Union market for U.S. petfood and tallow. Together, sales to these markets in fiscal 1997 topped \$462 million.

Resolution of nine SPS issues led to expanded market access for a variety of U.S. products, including apples, cherries, cattle, swine, and poultry products. The largest market involved was the Russian market for poultry products, worth more than \$876 million in fiscal 1996. This represented a \$35 million increase over fiscal 1996 levels.

First-time access to previously closed markets accounted for exports of just over \$2 million in fiscal 1997. Most of the successes in opening new markets took place in Asia and Latin America, and most of the commodities involved were high-value products, particularly fruits and vegetables. For example, new market access was obtained for U.S.

tomatoes in Japan, for Washington State cherries in China, and several types of California fruits in Chile. The value of exports in new markets is expected to grow, and potentially reach \$19 million over the next 3 to 5 years.

### ***Making New Imports Possible.***

Markets in the U.S. were opened or expanded for a number of products from countries in Central and South America, Asia, and Europe. These science-based import decisions demonstrate the U.S. commitment to the principles of the SPS Agreement. They also help strengthen bilateral relationships, which are important contribution to expanding export markets for U.S. products.

The import accomplishments include allowing, for the first time, imports of fresh beef from Argentina. Imports of up to 20,000 tons of de-boned, fresh, chilled or frozen beef may now be imported from regions in Argentina that are recognized as free of foot and mouth disease. The change in import policy for beef from Argentina reflects the concept of regionalization, which is part of the SPS Agreement. Regionalization allows countries to adopt SPS measures that more accurately reflect the specific health conditions in an area where a product originates.

Another important and high-profile change in U.S. import rules -- for Mexican avocados -- was finalized in 1997. APHIS worked with its Mexican counterparts and the U.S. avocado industry to develop a systems approach under which fresh Haas avocado fruit, grown in approved orchards in the state of Michoacan, could be imported into selected areas of the United States

during the winter months.

### ***Fiscal 1998 Accomplishments.***

There are numerous accomplishments for fiscal 1998 that will be analyzed in next year's report. One key success is Chile's acceptance of U.S. wheat from areas surveyed and found free of Karnal bunt. Before the Karnal bunt issue arose, Chile imported several hundred thousand tons of U.S. wheat each year. Chile also agreed to recognize 27 counties in California free of apple maggot, eliminating requirements for cold treatments.

At this time, roughly 60 SPS export issues remain outstanding. USDA and its sister agencies are working diligently to remove these barriers to U.S. agricultural exports. Many of these are longstanding issues, including access to the Japanese market for U.S. apples, nectarines, peaches, and cherries. Market access for these fruits is limited by Japan's varietal testing requirements. This issue is now the subject of a WTO dispute settlement panel (see the following article).

### **WTO Panel Considers U.S.-Japan Varietal Testing Case**

A Disputes Settlement Panel under the WTO has been asked to rule on a Japanese phytosanitary measure which requires that quarantine treatments be tested and proven effective for individual varieties of commodities, even if Japan has agreed that the exact same treatment is effective with respect to the pest on other varieties of the same commodity. This requirement necessitates additional expensive testing on proven treatments, which can take

years to complete.

U.S. exports of commodities such as cherries, apples, nectarines, and walnuts have been severely restricted because of this import measure. Despite the development of effective quarantine treatments for cherries, nectarines, and apples, Japan continued to block imports of some varieties of these fruits.

Although the quarantine treatment for US cherries was developed in 1976, the Rainier variety of cherries was not accepted for import into Japan until 1992. In 1982, the US and Japan held their first bilateral talks to permit Japanese imports of Washington State apples. Twelve rounds of bilateral talks (encompassing apples specifically, and varietal testing as it is applied to other commodities such as nectarines and cherries) were held with no successful resolution. Finally, in 1994, eight years after the United States had developed an effective treatment for apples, Japan permitted entry of US Golden Delicious and Red Delicious apples.

The U.S. and Japan conducted extensive bilateral negotiations to resolve the problem, however Japan would not lift its varietal testing requirement.

Consequently, the United States decided to refer the matter to the WTO Dispute Resolution mechanism. Consultations under the WTO were held with Japan in June 1997, and a Dispute Settlement Panel was requested and granted in November 1997. The Panel was formed in December, 1997, consisting of three neutral members from Finland, Iceland and Canada. The Panel established a schedule for the dispute process, and is to produce a final Panel report in October 1998.

The first Panel hearing was held in April, 1998, during which both parties presented their opening statements, and received questions from the Panelists. Due to the highly technical nature of the dispute, the three Panelists requested the assistance of an expert Panel, consisting of three neutral scientific experts. The experts provided information and guidance for the Panelists on the scientific details of the case.

A second Panel hearing, preceded by a Panel meeting with the parties and the scientific experts, was held in June, 1998. Following the completion of these two events, the Panel prepared an initial report on the factual basis of the case, essentially a recapitulation of both parties arguments. On August 6, 1998, the WTO Panel on the varietal testing case released its interim report for the case.

This interim report is considered to be confidential, and restricted as information only for the two parties to the dispute. On August 11, however, a report in The Japan Times announced that informed sources indicated that the Panel's interim report supported the position of the United States. Later that same day, the Office of the United States Trade Representative confirmed the Japanese newspaper report.

The interim report released by the Panel is extremely positive for the United States. The Panel has concluded that Japan's varietal testing requirement is inconsistent with several of the obligations of the SPS Agreement. The Panel considered that the Japanese failed to adhere to the obligation not to maintain phytosanitary measures

"without sufficient scientific evidence, except as provided for in paragraph 7 of Article 5." The Panel also found that the measure was more trade-restrictive than necessary to achieve Japan's "appropriate level of protection". In addition, the Panel ruled that Japan was not living up to the notification and transparency provisions of the SPS Agreement, because it has not published its varietal testing requirement. Consequently, the Panel recommends that the Dispute Settlement Body request Japan to bring its measure in dispute into conformity with its obligations under the SPS Agreement."

It should be remembered that this is only an interim report. The final report will not be available to both parties until October. In addition, either party can opt to appeal the results of the Panel's findings, and this process can take another 60 days. Finally, once the entire Panel and appeals process is completed, the losing party in the case still must implement the results of the decision, a process that can take up to 15 months.

### **APHIS' Role Overseas: Surveillance and Trade Facilitation**

APHIS International Services posts Foreign Services Officers (FSOs) abroad in 27 countries. These officers play a key role in providing leadership, management and coordination for the Agency's international activities. They represent APHIS in dealings with foreign plant and animal health authorities, and with international organizations such as the International Plant Protection Convention (IPPC), the International Office of Epizootics

(OIE), and the World Trade Organization (WTO).

Some APHIS offices overseas are responsible for managing specific programs. For example, APHIS administers screwworm eradication efforts in Mexico and other Central American countries. In the Netherlands, APHIS has a long-standing preclearance program to facilitate U.S. imports of flower bulbs. However, most APHIS activities abroad center around the Agency's missions of protecting American agriculture, and facilitating international trade, particularly U.S. agricultural exports.

### ***Surveillance and Reporting.***

In order to accomplish APHIS' mission of protecting American agriculture from foreign pests and diseases, it is necessary to know where those pests and diseases occur. APHIS attaches report on animal and plant disease conditions throughout the world. By establishing official and non-official contacts with sources of technical and SPS information, APHIS attaches can alert US officials and industries of phyto and zoo-sanitary events, even in advance of official communications. By the same token, APHIS attaches provide information on U.S. animal and plant health status to their foreign counterparts.

In addition to routine reporting, the attache receives and reports emergency information when the pest or disease status changes of a foreign country changes. This information, vital for APHIS in fulfilling its mission, is often also provided to state veterinarians, industry groups, neighboring countries.

In the event of an outbreak, the attache will report on the host government's efforts to contain and eradicate the disease, and will confirm the success of these efforts through on-site verification. APHIS attaches also provide assistance to host country officials in responding to an outbreak, including specially developed training courses and conducting mock outbreak exercises.

Traditionally, one of the APHIS Attache's primary duties was to encourage and cooperate in host country animal/plant disease eradication programs. Sometimes routine surveillance information is used to develop control or eradication program for diseases endemic to the host country which may be exotic to the US. On other occasions it could be information relating to emergency outbreaks of a disease exotic to both countries which necessitates a binational emergency action.

Sensitizing a host country to the necessity of building and maintaining an animal and plant health infrastructure is a major safeguarding activity. Many countries do not have adequate systems for generating, recording, analyzing and report animal or plant health information. APHIS attaches can offer guidance and work directly with government or industry groups to effectively generate and capture data on animal/plant diseases.

### ***Trade Facilitation.***

The ability of producers to sell their goods abroad is increasingly important factor in the economic health of the U.S. farm sector. APHIS attaches play a



vital part in reducing SPS barriers to U.S. agricultural products. They discuss foreign technical requirements with agricultural officials in other countries, and explain U.S. agricultural health policies to them.

By establishing good working relationships with the animal and plant health officials of the host country, they lay the groundwork for negotiations on import requirements for U.S. products. APHIS attaches work in close collaboration with PPQ and VS to respond to the concerns of our trade partners with sound scientific and technical information. Their special knowledge and understanding of the host country's animal and plant health infrastructure, trade concerns, and culture are often the key to successful negotiations.

If a shipment of a U.S. agricultural commodity arrives in a foreign country with missing or incomplete documentation, its entry will be delayed. The quality of the product may deteriorate while it is being held by the importing country. APHIS representatives in the country can provide verification of export certificates. Working directly with foreign officials, they are often able to obtain immediate release of a shipment that is held up and ensure that U.S. agricultural exports quickly reach their intended destination.

APHIS representatives abroad also participate in the work of international standard setting bodies (the IPPC and the OIE) and of regional plant and animal health organizations, like NAPPO. Their participation helps ensure that the standards and guidelines

adopted by these groups reflect international SPS principles.

In many countries, there is no APHIS representative posted. APHIS attaches in other countries, as well as headquarters staff, work closely with Foreign Agricultural Service (FAS) or other U.S. Embassy staff, providing information on pest and disease status and on the progress of technical negotiations.

## **Bilateral Consultative Committees on Agriculture with Argentina, Brazil, and Chile**

### ***Introduction***

The strategic goal of the Consultative Committee on Agriculture (CCA) is to strengthen bilateral relations between the United States and the target country on the full range of agriculture and agricultural trade issues of mutual interest. The CCA, therefore, provides a government-to-government framework aimed at facilitating discussions and cooperation on agricultural matters, and linkages between the two countries in the following areas:

Agricultural trade and market access;  
Developing cooperation and collaboration in international standard-setting bodies; Agricultural marketing, regulation and safety of food products; and Agriculture research and technical exchange.

### ***CCA signed with Chile and Argentina.***

On December 4, 1997, Secretary of Agriculture Dan Glickman and Chilean Agriculture Minister, Carlos Maldinic, signed an agreement to establish the

bilateral Consultative Committee on Agriculture between the United States and Chile. The terms of reference for the Committee was subsequently agreed to in Washington, DC on April 23, 1998 during the first meeting of the Committee. The next Committee meeting will be held in Washington, DC in the third week of October 1998. It is anticipated that this Committee will meet on an annual basis.

The Committee is comprised of three working groups: The Technical Working Group on Sanitary and Phytosanitary Issues; Agricultural Market Information Working Group, and; Agricultural Trade Policy Working Group.

The technical working group will facilitate discussions between U.S. and Chilean regulatory experts to resolve SPS issues that restrict trade. It also serves as a forum for collaboration in the international standard-setting bodies such as the International Plant Protection Convention and the International Office of Epizootics, as well as the Codex Alimentarius. This working group is co-chaired by Dr. Craig Reed, Administrator for APHIS and his Chilean counterpart.

The market information working group will enable our countries to exchange price information on fruits, vegetables, specialty crops, and livestock, as well as promote technical cooperation on regulatory issues. The co-chairs for this group are Enrique Figueroa, Administrator of AMS and his Chilean counterpart.

The trade policy working group will coordinate trade policy issues in bilateral

and multilateral trade organizations, as well as develop policy recommendations for future negotiations. The co-chairs for this group are Lon Hatamiya, Administrator for FAS and his Chilean counterpart.

On May 19, Secretary Glickman signed an agreement with Argentina's Agriculture Minister, Felipe Carlos to establish a Consultative Committee on Agriculture modeled closely after the arrangement with Chile. The first meeting of the Committee with Argentina is scheduled to occur in Washington, DC in the second week of October 1998. The signing the terms of reference for the Committee and the three working groups will be the first order of business of this initial meeting with Argentina. The working groups will be co-chaired by the USDA administrators and their Argentinean counterparts.

### ***Discussions underway with Brazil***

Currently, discussions are underway with Brazilian officials concerning the development of a Consultative Committee on Agriculture similar in form and scope to those extant with Chile and Argentina. Both sides have concurred that such a mechanism would be beneficial and hope to finalize an agreement as soon as possible. The signing of an agreement could occur in Brazil within the year or early next year. Several issues of mutual concern between our countries include biotechnology, and trade in grains and horticultural products.

### ***Conclusion***

With the advent of the negotiations to

establish a Free Trade Agreement for the Americas (FTAA), the importance of these frameworks to provide a venue for exchanging information and build relations with key Latin American countries is self-evident. Brazil, as the largest country in the region and economic output greater than the rest of Latin America combined, will wield considerable influence in the negotiations of the FTAA. Argentina, Brazil and Chile, with economies well grounded in agricultural production, have placed considerable emphasis on the outcome of the FTAA's negotiating group on agriculture. Clearly, a Committee with each of these countries will provide an opportunity to work bilaterally with them to reach tentative positions that could be agreed upon during FTAA negotiations.

More broadly, the CCA provides a forum for reaching consensus on such matters as international standards -- standards that will ultimately serve as benchmarks upon which all countries party to the World Trade Organization will base their national import and export regulations. Finally, the Committees can serve as a bilateral forum for resolving specific disputes that may arise from time to time due to certain regulatory actions taken to restrict trade.

### **Expanding Cooperation Between APHIS and FAS**

As the Uruguay Round and World Trade Organization have contributed to reducing tariffs among countries, remaining sanitary and phytosanitary (SPS) and technical barriers (TBT) to agricultural trade have assumed great importance. To reduce technical

measures against U.S. agricultural exports, FAS and APHIS increasingly collaborate on a regular basis. They identify, document, and negotiate removal of foreign SPS and TBT obstacles to import of U.S. farm products.

Since 1996, FAS and APHIS in Washington, occasionally with representatives from USDA's three other regulatory agencies--Agricultural Marketing Service, Food Safety and Inspection Service, Grain Inspection Packers and Stockyards Administration--and the State Department, have consulted weekly about SPS/TBT issues. These meetings focus on emerging SPS/TBT problems, monitoring issues, and then resolving them. At these meetings, colleagues from various units of FAS and APHIS share information and insights concerning SPS/TBT questions. The FAS/APHIS team regularly confers regarding issues which may require up to one year for resolution. FAS distributes the minutes of these meetings to cooperators and trade associations.

APHIS chairs a monthly meeting about marketing regulatory programs. This gathering draws participants from the four USDA regulatory agencies, FAS, FDA, and EPA. Discussions in this group highlight the broad, strategic aspects of U.S. SPS/TBT policy.

In May 1998, U.S. Trade Representative Charlene Barshefsky and Agriculture Secretary Dan Glickman announced the formation of a senior-level steering group to address foreign sanitary and phytosanitary (SPS) trade issues which unfairly restrict U.S. agricultural exports. The group has representatives

from USTR, USDA, the Food and Drug Administration, the Environmental Protection Agency, and the Department of State. It will coordinate broad policy guidance on priority foreign SPS measures found inconsistent with the World Trade Organization Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement). These foreign rules often involve substantial policy and trade implications for U.S. agricultural exports.

In establishing the steering group, Ambassador Barshefsky said, "The number of foreign SPS barriers is on the rise. This steering group will address non-scientifically based SPS barriers that block our agricultural exports or otherwise threaten to restrict agricultural trade. Secretary Glickman said, "This Administration has established an impressive track record in resolving SPS issues. We will use this steering group to build upon the successes we have achieved to date."

Both Barshefsky and Glickman noted that several outstanding SPS issues have been resolved since the implementation of the SPS Agreement including the opening of export markets for California lemons, table grapes, kiwis, oranges, and grapefruit to Chile; for 25 varieties of U.S. tomatoes to Japan and Taiwan; for U.S. sweet cherries to Mexico and China; for table grapes to China; for live swine to Argentina and Peru; for live cattle to Peru; and the successful resolution of arbitrary, non-science-based government-mandated shelf-life requirements which blocked U.S. agricultural exports to Korea. The SPS Agreement requires measures to protect

human, animal or plant life, and health be based on scientific principles, have sufficient scientific evidence, be based on an appropriate risk assessment, and not arbitrarily or unjustifiably discriminate among WTO members where the same conditions prevail.

Cooperation between FAS and APHIS remains the key to achieving the significant objective of reducing phytosanitary and technical impediments to exports of U.S. agricultural goods. To achieve this objective, FAS and APHIS signed a memorandum of understanding to create a two-way detail to provide valuable insights into the decision-making processes and perspectives of the two organizations. This knowledge translates into strengthened cooperation between FAS and APHIS. Currently, an FAS civil servant and an APHIS foreign service officer occupy these reciprocal positions.

Weekly SPS/TBT consultations between FAS and APHIS, monthly strategy meetings, the senior-level steering group, and exchange of employees between FAS and APHIS contribute to improving coordination across the government to resolve SPS/TBT issues.

### **APEC Agricultural Technical Cooperation Experts Group Holds 2nd Meeting**

The Second Meeting of the APEC Agricultural Technical Cooperation Experts Group (ATCEG) was hosted by the United States on 27-30 July 1998 in Portland, Oregon. Delegations from Australia; Brunei Darussalam; Canada, the People's Republic of China; Japan; the Republic of Korea; Mexico; the

Republic of the Philippines; Chinese Taipei; Thailand; and the United States of America attended the meeting. The APEC Secretariat was also present. Vietnam attended as an observer. The meeting was co-chaired by Dr. Te-yeh Ku, Coordinator for the ATCEG's Lead Shepherd, and Superintendent, Council of Agriculture, Chinese Taipei, and Ralph H. Iwamoto, Jr., APHIS Regional Director for Asia and the Pacific.

APEC Leaders endorsed the initiative of an APEC Agricultural Technical Cooperation Experts Group proposed by Chinese Taipei in 1994, with the purpose being to promote balanced development in agriculture and better use of resources in the region. Since its inception, seven priority areas have been identified within the ATCEG, those areas are:

Conservation and utilization of plant and animal genetic resources; Research development and extension of agricultural biotechnology; Marketing, processing and distribution of agricultural products; Plant and animal quarantine and pest management; Cooperative development of an agricultural finance system; Agricultural technology transfer and training; and Sustainable agriculture.

The US is the leader of the Working Groups on Research Development and Extension of Agricultural Biotechnology; Marketing, Processing and Distribution of Agricultural Products; and Plant and Animal Quarantine and Pest Management.

The purpose of this meeting was to receive direction from the Lead Shepherd concerning instructions from

the APEC Vancouver Ministerial and Leaders Meeting, and the outcomes of the Malaysia SOM I, SOM II and Joint Fora Meetings, review the work that has been done within the ATCEG during the past year in each of these priority areas, and discuss and approve plans for efforts in the coming year. Dr. Ku noted that last year's APEC priority areas were infrastructure and sustainable development, and that the work of the ATCEG reflected that emphasis. For this year, developing human capital and harnessing technologies for the future are the areas of focus for APEC. The ATCEG has been instructed to intensify science-based approaches to the introduction and use of biotechnology products.

Following reports by all of the Working Group leaders (with the exception of Agricultural Technology Transfer and Training which is lead by Indonesia, and whose delegates were unable to attend), the group heard additional reports from Australia (which discussed crosscutting efforts with other APEC fora) and from the APEC Secretariat (which reported on management systems development). With regard to new efforts within the ATCEG, the United States presented a Malaysian proposal for a biotechnology workshop on 5-9 October 1998, which will address capacity building, risk communication and public acceptance. Malaysia intends to involve the private sector in this workshop, and the ATCEG subsequently heard that APEC is encouraging more private sector involvement in its activities. The group endorsed the proposal pending adequate financial support. The US commented that some member economies, including the US, are willing to provide partial funding and requested that other

economies willing to contribute notify the Lead Shepherd by August 7.

The US put forward a proposal on an irradiation project. The US sought comments from Member Economies about the use of a new irradiation facility to be built in Hawaii. If there is interest amongst the Members, the US would be willing to host a workshop which would address irradiation and other alternative quarantine treatments to replace methyl bromide fumigation. It was noted that the workshop would take place after the construction of the facility. The Meeting agreed in principle to the Workshop. A formal proposal will be presented at the next ATCEG meeting. Australia presented a proposal under the Animal and Plant Quarantine Cooperative Area, which would be a follow up to the workshop on risk assessment held in Honolulu in March 1998. The Australian delegation reviewed the recommendations of the Workshop's participants and said that Australia is proposing a follow-on workshop, subject to funding. The workshop would include animal and plant health issues as well as a training component. The Meeting endorsed the Australian proposal.

Japan offered to host the 3rd meeting of the ATCEG in 1999 and the Co-Chair suggested early June as the preferred time frame to hold it; Japan noted that it would consider that time period. APHIS Tokyo has offered to assist MAFF with preparations and arrangements for the meeting, and will be meeting with MAFF officials in the near future for further discussions on this matter.